To: House of Representatives
Tax Policy Committee

From: Amy Frankmann

Date: November 6, 2007

Re: Service Tax

I respectfully submit this written testimony on behalf of Michigan's landscape, lawn maintenance, and arboriculture industries.

The new Use Tax on Services is going to have significant economic impact for the green industry in Michigan. This will have far reaching trickle-down effects that will equate to fewer jobs and less overall tax being paid in to the State. Please consider the following:

- We are not a luxury service! In many cases, landscaping, lawn maintenance, and tree care is mandated by law.
- The environment is going to suffer with less plant material being installed, less maintenance of mature trees and plant material, and less maintenance of lawns.
- Property values will further decrease.
- Outdoor living areas will be affected which will have an impact on our way of life.
- The tax will further exacerbate the problems the industry has with individuals who are conducting business under the regulatory radar without any licensing or insurance. Legitimate landscape businesses will take the biggest hit, as they work within the law and pay taxes.
- Will force us into paying double taxes on the products we purchase—not an option to separate out our wholesale prices from retail and installation on an invoice.

We're asking for your support to repeal the Use tax on Services before it takes effect on December 1, 2007.

Thank you for your consideration.

2149 COMMONS PARKWAY OKEMOS MI 48864 • P 517 381 0437 • F 800 879 6652 • F 517 381 0638 • WWW.MNLA.ORG

MNLA
MICHIGAN NURSERY AND LANDSCAPE ASSOCIATION ■ SINCE 1922

Fast Facts Environmental Benefits of Landscaping

- Grass, trees and plants reduce soil erosion—a major cause of water pollution and sedimentation.
- One tree removes 26 pounds of carbon dioxide from the air each year and can produce enough oxygen—about 13 pounds—for a family of four to live on.
- Plants, trees and grass fight pollution and provide stormwater control and shelter for wildlife.
- Shrubs, turf and trees reduce noise pollution by up to 50%.
- Proper selection and placement of plant material can lower heating and cooling costs by as much as 20%.
- Trees absorb as much as 85% of the sun's direct heat.
- Eight average front lawns have the cooling effect of 70 tons of air conditioning.
- Trees can reduce power demand by as much as 59%.
- Temperatures around grassy areas are about 25 degrees cooler than around dead grass or concrete "heat islands".
- One large tree can absorb as much heat as several window air conditioners and can lower temperatures by 10 degrees.
- Healthy turf is a strong component in fire prevention.

Information obtained from The Water Action Guide, prepared by the Green Association's Water Conservation Council

Michigan Nursery & Landscape Association 2149 Commons Parkway Okemos, MI 48864
Telephone (517) 381-0437 Fax (517) 381-0638 E-mail: amyf@mnla.org

Environmental Value of Landscaping

Green areas provide countless benefits to the environment, including the following:

- soil erosion control
- dust prevention
- rainwater entrapment and groundwater recharge
- solar heat dissipation
- glare reduction
- organic chemical/pollutant entrapment and degradation
- noise reduction

A lack of shade trees and turf cause cities to bear the burden of "heat islands", which are 10 to 30 degrees hotter than outlying rural areas. Further, when turfgrass is removed, the amount of smog and dust in the air increases, because there are not sufficient numbers of plants to hold down the dust and trap particulate pollutants.

Without the filter of plant material, there is an increased prevalence of dust that carries disease-causing bacteria and viruses. Lack of grass also increases erosion, and erosion raises levels of pollution and damages water quality in ponds, streams, rivers and lakes.

Streets, sidewalks and paved areas reflect heat and glare during the day and retain significant amounts of heat energy during the night. As a result, cooling seldom occurs in built-up areas. When rains do come, water drains into the sewer system. Sewer water requires treatment and is dumped into our streams, rivers, and the Great Lakes and is not reused. Ideally, this water should be allowed to naturally soak into the soil, replenish soil moisture, recharge the groundwater supplies or flow into streams, filtered by the roots of trees and turf.

Information obtained from The Water Action Guide, prepared by the Green Association's Water Conservation Council

Michigan Nursery & Landscape Association 2149 Commons Parkway Okemos, MI 48864

Telephone (517) 381-0437 Fax (517) 381-0638 E-mail: amyf@mnla.org

Urban Forests/City Trees Contribute to a Healthy Community

A Snapshot of how Urban Forests Contribute to a Healthy Community
Urban forestry is defined as the art, science and technology of managing trees, forests and natural systems in and around cities, suburbs and towns for the health and well being of all people. It is estimated by the U.S. Census that 83 percent of America's residents live in urban areas. Urban forests offer diverse functions, services, and benefits that have been empirically confirmed.

Urban forests need ongoing and consistent management to remain healthy and productive. A healthy urban forest contributes to a healthy community and provides high value benefits – **economic**, **environmental**, and **social**.

City Trees Help Create a Healthy Local Economy

• **Property values are increased by the presence of yard trees**. Local governments can gain revenue on higher values through tax assessments and excise taxes.

• **Trees are good for industry and employment.** Cities with good environmental health attract the best and brightest workers, which, in turn, attract businesses. In addition, trees, landscape, and gardening are parts of a green industry providing over 1.3 million jobs, many within urban areas.

• **Shoppers spend more.** Consumers will travel farther and stay longer in business districts with a mature forest canopy, and are willing to spend 9-12 percent more for goods and services.

• **Urban forests reduce infrastructure costs**. Cities are required to meet clean air and water standards. These can be achieved with trees more efficiently and cost-effectively than traditional methods.

Contributions continued on the back...

City Trees Help Improve the Health of the Environment

- **Trees around homes and buildings reduce energy use and costs.** A home shaded by as few as three trees can cut energy bills in half. Homes sheltered from wind have winter heat savings of as much as 10.3 thousand BTUs. The energy savings are significant when applied across a city or region.
- **Urban trees store tons of carbon** – between 400 and 900 million metric tons – and reduce smog and air pollution (NOx, SOx, particulates, etc.).
- **Urban trees provide clean air**. Trees store carbon and provide oxygen. Trees absorb air pollutants and act as natural filters to produce clean air; trees reduce air pollutants by 25% in cities and filter our airborne particles by 25%.
- **City forests improve water quality.** Trees slow and filter rainwater to reduce stormwater flow, especially during peak loads. More trees mean less concrete for stormwater control. Communities can improve the water quality of their stormwater discharge to meet federal laws by minimizing runoff and creating forest buffers for flood prone areas.

City Trees Improve the Health of Citizens and Communities

- **Well-managed urban forests can strengthen communities** by empowering citizens, improving social ties, reducing crime, and revitalizing neighborhoods.
- **Experiences of urban nature improve working and learning**. School children become more focused and show reduced symptoms of attention deficit disorders. Office workers are more productive.
- **A view of nature promotes healing**. Hospital patients recover faster from surgery and require less **medication for pain. Cancer patients reconnect with work and lifestyle more quickly.**

Information obtained from Sustainable Urban Forests Coalition

Michigan Nursery & Landscape Association ⁄ 2149 Commons Parkway ⁄ Okemos, MI 48864

Telephone (517) 381-0437 ⁄ Fax (517) 381-0638 ⁄ E-mail: amyf@mnla.org

Environmental Benefits of a Healthy, Sustainable Lawn

Lawn areas around homes help provide for a family's outdoor recreational needs. They provide aesthetically pleasing backdrops for other landscape plantings as well as many environmental benefits. One of the most significant of these is the ability to stabilize soil against water and wind erosion. For these and other reasons mentioned below, lawn areas are an important part of preserving and protecting soil, air, and water resources.

Turfgrasses provide many environmental benefits:

- change carbon dioxide into the oxygen we breathe
- cool the air by changing water into water vapor
- stabilize dust
- entrap air polluting gases
- control erosion

Turfgrass and Water Quality

As an ever increasing proportion of our society resides in urban and suburban areas, there is a corresponding increase in the amount of paved and other impervious surfaces. Consequently, large amounts of poor quality stormwater runoff are quickly channeled to storm sewer systems that dump directly into nearby lakes, streams and rivers. This can significantly contribute to decreased water quality in the receiving water bodies through sedimentation and pollution. Our lawn grasses provide one of the most effective groundcovers available to prevent erosion and increase water infiltration into the soil.

Research over the last ten years has demonstrated that stormwater runoff from a healthy, relatively dense lawn rarely occurs, even on modest slopes. In fact, in all but very intense rainfall occurrences, stormwater runoff from a healthy, relatively dense lawn is at or near zero.

However, some notable exceptions to this include very steep slopes, saturated soil conditions, severely compacted soils and frozen ground. While the total quantity of runoff water is reduced, increased water infiltration also reduces runoff velocity, thereby reducing the amount of sediment carried in runoff.

Not only does increased water infiltration help protect surface water quality, it also helps recharge groundwater supplies. In addition, the dense fibrous network of roots helps to trap and remove nutrients and other pollutants from water moving down through the soil. This filtering effect can actually improve water quality as it moves through the turfgrass root zone.

Information obtained from the University of Minnesota and www.treesaregood.com

Michigan Nursery & Landscape Association 2149 Commons Parkway Okemos, MI 48864

Telephone (517) 381-0437 Fax (517) 381-0638 E-mail: amyf@mnla.org

Landscape, Lawn, & Arborist Services are NOT a Luxury—They are the LAW!

Public laws, often contained within zoning ordinances or land development codes, require public review and approval of landscape design plans for the restoration, preservation or construction of urban landscapes and green spaces in association with new development, re-development and construction. These laws generally regulate landscape design, landscape installation, tree preservation and landscape maintenance on private lands (www.greenlaws.lsu.edu).

The intent of these laws is to benefit the environment, public health, air quality, safety, comfort, convenience, and general welfare of the community, resulting in the reduction of stormwater runoff, heat build up, and will filter and reduce glare from care headlights. This results in a reduction in energy costs of structures and the improvement of the aesthetics of the community.

It is Michigan's landscape, lawn, and arborist firms that fulfill the requirements of these laws on commercial, residential, and municipal properties. Landscaping, lawn, and tree management services are not an option—they are required services by law. These laws are very specific to all aspects of the landscape and natural areas and hold property owners responsible for compliance.

The following is a sample list of codes within municipal ordinances that regulate landscape, lawn, and arboriculture services:

- lawn maintenance
- vegetation and noxious accumulations, snow, ice, property nuisances
- dead, damaged, or dangerous trees on private property
- noxious weed abatement
- tree removal due to diseases and infestations
- tree replacement and protection
- landscape maintenance
- duty to control weeds and grasses
- soil erosion and sediment control
- landscaping and weed control
- woodland mitigation
- street tree planting area
- green space requirements
- screening and buffering
- trees and shrubs in right-of-ways
- landscape and irrigation plan submission
- street landscape buffers
- parking lot landscaping
- site and landscape design standards
- wetland mitigation

Michigan Nursery & Landscape Association 2149 Commons Parkway Okemos, MI 48864
Telephone (517) 381-0437 Fax (517) 381-0638 E-mail: amyf@mnla.org